

Official Statement

CENTRAL SCHOOL DISTRICT
San Bernardino County, California**\$1,570,000 PRINCIPAL AMOUNT**Election 1977 Bonds, Series 1
(General Obligations)INSTITUTE OF GOVERNMENT
STUDIES LIBRARY

NOV 7 1977

UNIVERSITY OF CALIFORNIA

Bids to be received by the Board of Supervisors of San Bernardino County,
County Civic Building, 175 West Fifth Street, San Bernardino, California
92415 at 10:00 A.M., Monday, November 21, 1977.

*[Stone & Youngberg, municipal financing consultants]
San Bernardino County - Economic condition
School bonds - California - San Bernardino Co*

CENTRAL SCHOOL DISTRICT
San Bernardino County, California

BOARD OF TRUSTEES

Ruth Musser, President

Thomas Shoar, Clerk

Dale Taylor

Pamela Wright

DISTRICT ADMINISTRATION

Donald R. Sperry, Superintendent of Schools

John A. McClary, Assistant Superintendent

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BOARD OF SUPERVISORS

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Dennis Hansberger, Vice Chairman
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M. Crane Kitchel, County Counsel
Leonard Brinley, Deputy County Counsel

John H. Bulmer, Auditor-Controller
John A. Gartner, Tax Collector-Treasurer

PROFESSIONAL SERVICES

Orrick, Herrington, Rowley & Sutcliffe, San Francisco
Bond Counsel

Stone & Youngberg Municipal Financing Consultants, Inc.
San Francisco and Los Angeles
Financing Consultants

THE DATE OF THIS OFFICIAL STATEMENT IS OCTOBER 25, 1977

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TO WHOM IT MAY CONCERN:

The purpose of this Official Statement is to supply information to prospective bidders on, and buyers of, \$1,570,000 principal amount of the Election 1977, Series 1 Bonds, proposed to be issued by the Central School District.

The material contained in this Official Statement was prepared by Stone & Youngberg Municipal Financing Consultants, Inc., in the capacity of financing consultants to the Central School District (which firm will receive compensation from the District contingent upon the sale and delivery of the Bonds).

This Official Statement is not to be construed as a contract with the purchasers of the Election 1977, Series 1 Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact.

No dealer, broker, salesman or other person has been authorized by the District to give any information or to make any representations other than those contained herein and, if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

The members of the Board of Education of the Central School District have reviewed this Official Statement and have determined that as of the date hereof the information contained herein is, to the best of their knowledge and belief, true and correct in all material respects and does not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading. The Central School District will deliver to the purchaser of the Bonds a certificate as to the above, dated the date of Bond delivery and further certifying that the signatories know of no material adverse change in the condition of the District which would make it unreasonable for the purchaser of the Bonds to rely upon the Official Statement in connection with the resale of the Bonds, and authorizing the purchaser of the Bonds to distribute copies of the Official Statement in connection with the resale of the Bonds. 150 copies of the Official Statement will be supplied to the purchaser of the Bonds for this purpose.

The opinion of Orrick, Herrington, Rowley & Sutcliffe, San Francisco, California, Bond Counsel to the District, will be furnished to the successful bidder (see section entitled "Legal Opinion" herein). The scope of Bond Counsel's employment in connection with the review of this Official Statement has been limited to reviewing the statements of law and legal conclusions set forth herein under the section titled "The Bonds", excepting the material under the heading "Estimated Debt Service."

October 25, 1977

Donald R. Sperry
Superintendent
CENTRAL SCHOOL DISTRICT



The Central School District services a six square mile area that includes a major portion of Cucamonga and a small part of Upland.

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NOTICE INVITING BIDS ON \$1,570,000.00
GENERAL OBLIGATION BONDS OF
CENTRAL SCHOOL DISTRICT
OF SAN BERNARDINO COUNTY, CALIFORNIA

NOTICE IS HEREBY GIVEN that sealed proposals for the purchase of \$1,570,000.00 par value general obligation bonds of Central School District of San Bernardino County, California, will be received by the Board of Supervisors of said County at the place and up to the time below specified:

TIME: Monday, November 21, 1977, 10:00 o'clock a.m.

PLACE: Office of the Clerk of the Board of Supervisors, County Civic Building, 175 West Fifth Street, San Bernardino, California 92415.

MAILED BIDS: Mailed bids should be addressed to the Clerk of the Board of Supervisors, County Civic Building, 175 West Fifth Street, San Bernardino, California 92415.

ISSUE: \$1,570,000.00 consisting of 314 bonds, numbered 1 to 314, both inclusive, of the denomination of \$5,000 each, all dated December 1, 1977, and designated "Election 1977, Series 1."

MATURITIES: The bonds will mature in consecutive numerical order in the amounts for each of the several years in accordance with the following schedule:

Amount of Bonds Maturing	Date of Maturity
\$ 10,000.00	December 1, 1978
10,000.00	December 1, 1979
15,000.00	December 1, 1980
25,000.00	December 1, 1981
30,000.00	December 1, 1982
60,000.00	December 1, 1983
65,000.00	December 1, 1984
70,000.00	December 1, 1985
75,000.00	December 1, 1986
80,000.00	December 1, 1987
85,000.00	December 1, 1988
90,000.00	December 1, 1989
95,000.00	December 1, 1990
100,000.00	December 1, 1991
110,000.00	December 1, 1992
115,000.00	December 1, 1993
125,000.00	December 1, 1994
130,000.00	December 1, 1995
140,000.00	December 1, 1996
140,000.00	December 1, 1997

REDEMPTION: The bonds maturing on or prior to December 1, 1992, shall not be subject to call redemption prior to maturity. The bonds maturing on or after December 1, 1993, or any of them may be called before maturing and redeemed at the option of the Governing Board of Central School District on December 1, 1988 or on any interest payment date thereafter prior to maturity, at a redemption price for each redeemable bond equal to the principal amount thereof, plus a premium equal to the sum of one-quarter of one percent ($\frac{1}{4}\%$) of said principal amount and one-quarter of one percent ($\frac{1}{4}\%$) of said principal amount for each year or portion of a year between the redemption date and the maturity date. All or any of the

bonds subject to call may be called for redemption at any one time. If less than all of the bonds are redeemed at any one time, such bonds shall be redeemed only in inverse order of maturity and number beginning with the highest numbered bond.

SIGNATURE ON BONDS: At least one of the signatures on the bonds will be manually affixed.

INTEREST: The bonds shall bear interest at a rate or rates to be fixed upon the sale thereof but not to exceed 8% per annum, payable annually for the first year after the date of said bonds and semiannually thereafter.

PAYMENT: Said bonds and the interest thereon are payable in lawful money of the United States of America at the office of the Treasurer-Tax Collector of San Bernardino County.

REGISTRATION: The bonds will be coupon bonds registerable only as to both principal and interest.

SECURITY: Said bonds are general obligations of said school district and the Board of Supervisors of San Bernardino County has power and is obligated to levy ad valorem taxes for the payment of the bonds and the interest thereon without limitation as to rate or amount upon all property within the district subject to taxation (except for certain classes of personal property).

TERMS OF SALE

INTEREST RATE: Maximum eight percent (8%) per annum, payable annually the first year on December 1, 1978, and semiannually thereafter on December 1 and June 1 in each year. Bidders must specify the rate or rates of interest which the bonds hereby offered for sale shall bear. Bidders may specify any number of separate rates of interest and the same rate or rates may be repeated as often as desired provided that: (1) all bonds maturing in the same year shall bear the same rate of interest; (2) the difference between the lowest and highest rates specified in any bid shall not exceed 2%; (3) each interest rate specified must be in a multiple of $\frac{1}{20}$ of 1% and a zero rate of interest cannot be specified; (4) no bond shall bear more than one rate of interest, no interest payment shall be evidenced by more than one coupon and supplemental coupons will not be permitted; (5) each bond shall bear interest from its date to its stated maturity date at the interest rate specified in the bid; and (6) any premium must be paid in full in bank funds as part of the purchase price, and no bid will be accepted which contemplates the cancellation of any interest coupons or the waiver of any interest or other concession by the bidder as a substitute for payment in full of the purchase price in bank funds. Bids which do not conform to the terms of this paragraph will be rejected.

AWARD; FORM OF BID: The bonds shall be sold for cash only. All bids must be for not less than all of the bonds hereby offered for sale and each bid shall state that the bidder offers par and accrued interest to the date of delivery, the premium, if any, and the interest rate or rates not to exceed those specified herein, at which the bidder offers to buy said bonds. Each bidder shall state in his bid the total net interest cost in dollars and the average net interest rate determined thereby, which

shall be considered informative only and not a part of the bid. Each bid, together with bid check, must be enclosed in a sealed envelope and addressed to the Clerk of the Board of Supervisors of San Bernardino County with the envelope and bid clearly marked "Proposal for Central School District Bonds."

HIGHEST BIDDER: The bonds will be awarded to the highest responsible bidder or bidders considering the interest rate or rates specified and the premium offered, if any. The highest bid will be determined by deducting the amount of the premium bid (if any) from the total amount of interest which the district would be required to pay from the date of said bonds to the respective maturity dates thereof at the coupon rate or rates specified in the bid and the award will be made on the basis of the lowest net interest cost to the district. The lowest net interest cost shall be computed on a 360-day year basis. The purchaser must pay accrued interest from the date of the bonds to the date of delivery. The cost of printing the bonds will be borne by the district.

RIGHT OF REJECTION: The Board of Supervisors reserves the right in its discretion, to reject any and all bids and to the extent not prohibited by law to waive any irregularity or informality in any bid.

PROMPT AWARD: The Board of Supervisors will take action awarding the bonds or rejecting all bids not later than twenty-six (26) hours after the expiration of the time herein prescribed for the receipt of proposals; provided, that the award may be made after the expiration of the specified time if the bidder shall not have given to said Board notice in writing of the withdrawal of such proposal.

PLACE OF DELIVERY; FORM OF PAYMENT: Delivery of said bonds will be made to the successful bidder at the office of the County Treasurer-Tax Collector of San Bernardino County, California. Payment of the bonds must be in cash or certified Federal Reserve Bank funds, which are immediately available to the district or other comparable funds.

PROMPT DELIVERY; CANCELLATION FOR LATE DELIVERY: It is expected that said bonds will be delivered to the successful bidder within thirty (30) days from the date of sale thereof. The successful bidder shall have the right, at his option, to cancel the contract of purchase if the bonds are not tendered for delivery within sixty (60) days from the date of the sale thereof, and in such event the successful bidder shall be entitled to the return of the deposit accompanying his bid.

BID CHECK: A certified or cashier's check on a responsible bank or trust company in the amount of not less than four percent (4%) of the par value of said bonds, payable to the order of the Treasurer-Tax Collector of San Bernardino County must accompany each proposal as a guaranty that the bidder, if successful, will accept and pay for said bonds in accordance with the terms of his bid. The proceeds of the check accompanying any accepted proposal shall be applied on the purchase price or, if such proposal is accepted but not performed, unless such failure of performance shall be caused by any act or omission of said County, said district, or an officer of either of them, shall then be retained by said Treasurer-Tax Collector for the benefit of the district. The check accompanying each unac-

cepted proposal will be returned promptly. No interest will be paid upon the deposit made by the successful bidder.

CHANGE IN TAX EXEMPT STATUS: At any time before the bonds are tendered for delivery the successful bidder may disaffirm and withdraw the proposal, if the interest received by private holders from bonds of the same type and character shall be declared to be taxable income under present federal income tax laws, either by a ruling of the Internal Revenue Service or by a decision of any federal court, or shall be declared taxable or be required to be taken into account in computing any federal income taxes, by the terms of any federal income tax law enacted subsequent to the date of this notice.

LEGAL OPINION; BOND PRINTING: The unqualified opinion of Orrick, Herrington, Rowley & Sutcliffe, attorneys, approving the validity of said bonds will be furnished the successful bidder at or prior to the date of delivery of the bonds at the expense of the district. A copy of such legal opinion, certified by the County Treasurer-Tax Collector by his facsimile signature will be printed on the back of each bond without cost to the successful bidder.

The unqualified opinion of said attorneys that interest on the bonds is exempt from income taxes of the United States of America under present federal income tax laws, and that such interest is also exempt from personal income taxes of the State of California under present state income tax laws, will also be furnished the successful bidder at or prior to the time of delivery of the bonds, at the expense of the district.

CUSIP NUMBERS: CUSIP numbers have been applied for and, if requested by the purchaser, will be printed on the bonds at the purchaser's expense. The estimated cost of such printing is \$4 per maturity. Neither the absence of such number nor the presence of an incorrect number on any or all of the bonds shall constitute a reason for the purchaser to refuse to accept delivery of the bonds.

NO LITIGATION CERTIFICATE: At the time of payment for and delivery of said bonds, the successful bidder will be furnished with a certificate that there is no litigation pending affecting the validity of the bonds.

ASSESSED VALUATION: The assessed value of the taxable property within the Central School District, as shown on the equalized assessment roll for 1977-78, modified as required by law, is \$37,418,481; and the current bonding capacity of said district is \$1,870,924. The total amount of bonds of said district previously issued and outstanding as of December 1, 1977 is \$300,000.

By order of the Board of Supervisors of San Bernardino County, adopted October 31, 1977.

LEONA RAPOPORT, Clerk of the Board of Supervisors of San Bernardino County

STONE & YOUNGBERG

MUNICIPAL FINANCING CONSULTANTS, INC.

SUITE 2750 • ONE CALIFORNIA STREET
SAN FRANCISCO, CALIFORNIA 94111 • (415) 989-2300

1541 WILSHIRE BOULEVARD, LOS ANGELES, CALIFORNIA 90017 • (213) 483-1643

COPIES OF THE ENCLOSED OFFICIAL STATEMENT HAVE BEEN SENT TO
INVESTMENT OFFICERS OF THE FOLLOWING INSTITUTIONS:

Acacia Mutual Life Insurance Company	Emmco Insurance Company
Aetna Life Insurance Company	Empire Mutual Insurance Company
Allendale Mutual Insurance Company	Employers Casualty Company
Allstate Insurance Company	Employers Group Associates
American Agricultural Mutual Insurance	Employers Mutual Liability Insurance Company of Wisconsin
American Employees Insurance Company	Employees Reinsurance Corporation
American Express Company	Equitable Life Assurance Society
American Family Insurance Group	Equitable Life Insurance Company of Iowa
American General Life Insurance Company	Farm Bureau Mutual Insurance Company
American Mutual Life Insurance Company	Farmers Insurance Group
American National Insurance Company	Farmers New World Life Insurance Company
American Re-Insurance Company	Fidelity & Deposit Insurance Company
American Republic Insurance Company	Fidelity Mutual Life Insurance Company
American States Insurance Company	Fidelity-Phoenix Insurance Company
Arkwright-Boston Manufacturers Mutual Insurance Company	First Catholic Slovak Union of the United States of America
Atlantic Mutual Insurance Company	Foremost Insurance Company
Automobile Club of Southern California	Franklin Life Insurance Company
Bankers Life & Casualty Company	General Accident Fire & Life Assurance Corporation, Ltd.
Bankers Life Company	General American Life Insurance Company
Bankers Life Insurance Company of Nebraska	General Insurance Company of America
Bankers National Life Insurance Company	General Reinsurance Corporation
Beneficial Life Insurance Company	Georgia International Life Insurance Company
Beneficial Standard Life Insurance Company	Government Employees Insurance Company
Boston Mutual Life Insurance Company	Great American Insurance Company
Business Men's Assurance Company of America	Great-West Life Assurance Company
Cal-Farm Insurance Company	Greater New York Mutual Insurance Company
California State Automobile Association	Guardian Life Insurance Company of America
California-Western States Life Insurance Company	Gulf Life Insurance Company
Cambridge Mutual Fire Insurance Company	John Hancock Mutual Life Insurance Company
Canada Life Assurance Company	The Hanover Group
Central Life Assurance Company	Hanover Insurance Company
Central National Insurance Company of Omaha	Hardward Mutual Casualty Company
Chicago Title & Trust Company	Hartford Accident & Indemnity Company
Chubb & Son, Inc.	Hartford Steam Boiler Inspection & Insurance Company
CNA Insurance Corporation	Highlands Insurance Company
Coastal State Life Insurance Company	Home Insurance Company
Colonial Penn Group	Homesteaders Life Company
Columbus Mutual Life Insurance Company	Imperial Life Assurance Company of Canada
Combined Insurance Company of America	Indiana Insurance Company
Connecticut General Life Insurance Company	Insurance Company of North America
Connecticut Mutual Life Insurance Company	Interstate Life & Accident Insurance Company
Continental Casualty Company	Jefferson Standard Life Insurance Company
Continental Insurance Company	Kansas City Life Insurance Company
Country Life Insurance Company	Kemper Insurance Group
Detroit Automobile Inter-Insurance Exchange	Keystone Insurance Company
Dodge & Cox	

(OVER)

Liberty Mutual Insurance Company
Life Insurance Company of Georgia
Life Insurance Company of Virginia
Lincoln National Life Insurance Company
Loomis, Sayles & Co., Inc.
Lutheran Mutual Life Insurance Company

Manhattan Life Insurance Company
Metropolitan Life Insurance Company
MFA Mutual Insurance Company
MGIC Indemnity Corporation
Minnesota Mutual Life Insurance Company
Monarch Life Insurance Company
Monumental Life Insurance Company
Mortgage Guaranty Insurance Corporation
Motors Insurance Corporation
Mutual Benefit Life Insurance Company
Mutual Life Insurance Company of New York
Mutual of Omaha Insurance Company
Mutual Service Casualty Insurance Company
Mutual Trust Life Insurance Company

National Automobile & Casualty Insurance Company
National Farmers Union Life Insurance Company
National Life & Accident Insurance Company
National Life Insurance Company
National Old Line Insurance Company
Nationwide Life Insurance Company
New England Mutual Life Insurance Company
New York Life Insurance Company
NN Corporation
North American Life Assurance Company
North Carolina Mutual Life Insurance Company
The Northern Assurance Company of America
Northwestern Mutual Insurance Company
Northwestern Mutual Life Insurance Company
Northwestern National Insurance Company
Northwestern National Life Insurance Company
Nuveen Bond Fund

Occidental Life Insurance Company of California
Ohio Life Insurance Company
Ohio State Life Insurance Company
Old American Insurance Company

Pacific Mutual Life Insurance Company
Pan American Life Insurance Company
Peninsular Life Insurance Company
Penn Mutual Life Insurance Company
Pennsylvania National Mutual Insurance Company
Peoples Life Insurance Company
Philadelphia Investment Company
Philadelphia Life Insurance Company
Philadelphia Re-Insurance Company
Phoenix Mutual Life Insurance Company
Pilot Life Insurance Company
Polish National Alliance of the U.S. of N.A.
Preferred Risk Mutual Insurance Company
Protective Life Insurance Company
Provident Life & Accident Insurance Company
Provident Mutual Life Insurance Company of Philadelphia
Prudential Insurance Company of America

Reinsurance Corporation of New York
Reliance Insurance Company
Republic Insurance Company
Reserve Insurance Company
Reserve Life Insurance Company
Rural Security Life Insurance Company

Safeco Insurance Company of America
St. Paul Fire & Marine Insurance Company
Scudder, Stevens & Clark - New York
Scudder, Stevens & Clark - Boston
Security Benefit Life Insurance Company
Security Life & Accident Company
Security Mutual Casualty Company
Sentry Group
Society for Savings
Southern Farm Bureau Casualty Insurance Company
Southern Life & Health Insurance Company
Southland Life Insurance Company
Southwestern Life Insurance Company
Standard Insurance Company
State Automobile Mutual Insurance Company
State Farm Mutual Automobile Insurance Company
State Mutual Life Assurance Company of America
Stuyvesant Life Insurance Company
Sun Life Assurance Company of Canada
Swett & Crawford
Swiss Re-Insurance Company

Tennessee Life Insurance Company
Title Insurance & Trust Company
Transamerica Insurance Company
Transamerica Investment Counselors, Inc.
Transamerica Title Insurance Company
Transport Insurance Company
Travelers Insurance Company

Unigard Olympic Life Insurance Company
Union Life Insurance Company
United Benefit Life Insurance Company
United Insurance Company of America
United National Life Insurance Society
United States Fidelity & Guaranty Company
Utah Home Fire Insurance Company

Volunteer State Life Insurance Company

Washington National Insurance Company
West Coast Life Insurance Company
Western Fire Insurance Company
Western & Southern Life Insurance Company
Woodmen Accident & Life Company
Woodmen of the World
Woodmen of the World Life Insurance Society

INTRODUCTION

The \$1,570,000 principal amount of Central School District Election 1977, Series 1 Bonds represents the first sale of a total authorization of \$2,500,000 approved by District voters at a March 8, 1977 election. Proceeds from the sale of the Series 1 Bonds will be applied towards the purchase of an elementary school site, the construction of a new elementary school and improvements to the existing intermediate school. After the sale of the Series 1 Bonds, \$920,000 of the original authorization will remain unissued.

The District, providing elementary school educational services to approximately 14,000 residents in an area containing 6 square miles, has operated as a school district under the laws of the State of California since formation in 1912. Located in the southwestern portion of San Bernardino County, approximately 42 miles east of Los Angeles, the District encompasses a major part of the unincorporated community of Cucamonga and a small part of the City of Upland.

It is anticipated that the District will continue to experience steady growth. The District has experienced many new homes being purchased by families relocating from Orange and Los Angeles Counties. In many cases, the principal wage earner commutes from his new District residence to the job he had before the move. Within the District, as of the second quarter of 1977, 15 builders had scheduled a total of 732 units, completed 420, and sold 425. The units are largely single family homes in the \$50,000 - \$80,000 price range.

The economy of the District benefits substantially from the agricultural activity of the area. Commercial farm production in San Bernardino County had a 1976 gross production value of more than \$343,000,000, an all-time high and 11.5 percent greater than 1975, also a record year. The County has 19 crops which have an annual valuation in excess of \$1 million.

The District lies in the heart of the fifth largest metropolitan area in California, with a population in excess of 1,280,000. The San Bernardino-Riverside-Ontario Metropolitan Area has a wide variety of industries and resources such as steel, agriculture, electronics, tourism, military installations, government facilities, and minerals. The only integrated steel mill on the Pacific Coast is located at Fontana three miles east of the District. This complex accounts for approximately 70 percent of the raw steel output in California. The growing sophistication of the area as a manufacturing center is illustrated by the expanding aerospace-electronics industry, once closely tied to defense markets, but now increasingly committed to commercial production. Centers of industrial employment in the Valley are San Bernardino, Fontana, Ontario, Redlands, and Riverside.

Average daily attendance has grown from 1,729 students in 1973/74 to 2,260 estimated students in the 1977/78 school year. Assessed valuation of the District has increased from \$19,558,190 in 1973/74 to \$37,383,595 in 1977/78. Tax delinquencies in the past five years have averaged 3.5 percent.

Upon delivery of the Election 1977, Series 1 Bonds currently being offered for sale, the District's direct debt will be \$1,890,000 or 5.06 percent of assessed valuation and 1.25 percent of estimated real value. Net direct and estimated overlapping debt will be 9.81 percent and 2.42 percent of assessed valuation and estimated real value respectively.

THE BONDS

AUTHORITY FOR ISSUANCE

The \$1,570,000 principal amount of Central School District Election 1977, Series 1 Bonds, now being offered for sale are general obligations to be issued under provisions of Title 1, Division 1, Part 10, Chapter 2 of the State of California Education Code, and pursuant to a resolution of the Board of Supervisors of San Bernardino County adopted on November 1, 1977.

The Election 1977, Series 1 Bonds, in the principal amount of \$1,570,000 represent the first sale from an authorization of \$2,500,000 approved by District voters on March 8, 1977. After the sale of the Series 1 Bonds, \$930,000 of the \$2,500,000 authorization will remain unissued.

TERMS OF SALE

Bids will be received by the Board of Supervisors of San Bernardino County on or before 10:00 A.M. on Monday, November 21, 1977, at the Office of the Clerk of the Board of Supervisors, County Civic Building, 175 West Fifth Street, San Bernardino, California. The Bonds will be sold pursuant to the terms of sale contained in the Official Notice of Sale adopted by the Board of Supervisors on November 1, 1977.

DESCRIPTION OF THE BONDS

The Election 1977, Series 1 Bonds, consist of \$1,570,000 aggregate principal amount dated December 1, 1977. The Bonds, all in the denomination of 5,000, will mature serially in consecutive numerical order from lower to higher as set forth in the following maturity schedule:

<u>Maturity Date</u> <u>December 1</u>	<u>Principal</u> <u>Amount</u>
1978	\$ 10,000
1979	10,000
1980	15,000
1981	25,000
1982	30,000
1983	60,000
1984	65,000
1985	70,000
1986	75,000
1987	80,000
1988	85,000
1989	90,000
1990	95,000
1991	100,000
1992	110,000
1993	115,000
1994	125,000
1995	130,000
1996	140,000
1997	140,000

INTEREST

Interest on the Bonds at a rate not to exceed eight percent (8%) per annum is payable for the first year on December 1, 1978 and semiannually thereafter on June 1 and December 1.

REDEMPTION PROVISIONS

Bonds maturing on or prior to December 1, 1992 are not subject to call and redemption prior to their fixed maturity dates. Bonds maturing on or after December 1, 1993 are subject to call and redemption prior to their fixed maturity dates at the option of the District as a whole or in part in inverse order of maturity and number beginning with the highest numbered bond on any interest payment date on and after December 1, 1988 at the following redemption price: the principal amount of the bonds so called for redemption and accrued interest thereon to date of redemption plus a premium of (a) one-quarter of one percent of such principal amount plus (b) one-quarter of one percent of such principal amount for each year or portion of a year between the redemption date and the maturity date of the bonds so called for redemption.

PAYMENT

Both principal and interest are payable in lawful money of the United States of America at the office of the Treasurer-Tax Collector of San Bernardino County in San Bernardino, California.

EXECUTION AND REGISTRATION

Coupon bonds will be issued by the Board of Supervisors on behalf of the District. The Bonds will be executed by the manual signature of at least one official authorized to execute the Bonds. The Bonds are registrable only as to both principal and interest.

LEGAL OPINION

The legal opinion of Orrick, Herrington, Rowley & Sutcliffe, San Francisco, California, Bond Counsel to the District, approving the validity of the Bonds of Series 1, will be furnished to the purchasers without charge at the time of the original delivery of the Series 1 Bonds. A copy of the legal opinion will be printed on each bond. See the concluding paragraph of the "To Whom It May Concern" section of this Official Statement regarding the scope of bond counsel's review of this Official Statement. Bond counsel's fee is payable from the proceeds of the Bonds and is contingent upon bond delivery.

TAX EXEMPT STATUS

In the opinion of bond counsel, the interest on the Bonds is exempt from present federal income taxes and from State of California personal income taxes under existing statutes, regulations, and court decisions; and the Bonds are exempt from all California taxes except inheritance, gift, and franchise taxes.

LEGALITY FOR INVESTMENT

In the opinion of bond counsel, the Bonds are legal investments in California for all trust funds and for the funds of insurance companies, commercial banks, trust companies, and for state school funds, and are eligible as security for deposits of public monies in California.

SECURITY

The Bonds are general obligations of the Central School District, and the Board of Supervisors of San Bernardino County has the power and is obligated to levy ad valorem taxes for payment of the Bonds and the interest thereon upon all property within the District, subject to taxation by the District (except certain personal property which is taxable at limited rates), without limitation of rate or amount.

NO LITIGATION

At the time of payment for and delivery of said Bonds, the successful bidder will be furnished with a certificate that there is no litigation pending affecting the validity of the Bonds.

The present California system of levying taxes and applying funds for public school purposes has been held unconstitutional under provisions of the California Constitution by a California Superior Court in the case entitled Serrano v. Priest.

The California Supreme Court in a decision dated December 30, 1976, affirmed the judgment of the Superior Court in that case. The decision requires that a new system for financing California primary and secondary schools must be implemented by September 3, 1980.

The Superior Court judgment as affirmed by the California Supreme Court contains a statement that the existing public school financing system shall continue to operate until an appropriate system, not in violation of the California Constitution, can be placed into effect.

Legislation has been enacted by the California legislature in response to Serrano v. Priest. This legislation significantly increases the amount of state money supplied to public school districts having a low local property tax basis, and provided for some equalization of tax moneys by redistributing some tax revenues of school districts having a high per-pupil property tax basis to school districts having a low per-pupil property tax basis. As the District is considered to have a low per-pupil property tax basis, the legislation requires the redistribution of property tax revenues to the District from other California school districts. Furthermore, the District will benefit from increased state financial support to be provided to school districts. The legislation does not affect tax rates for payment of principal and interest on general obligation bonds.

It is likely that further litigation will result to determine whether the enacted legislation satisfies the constitutional requirement pronounced in Serrano v. Priest. Any further changes resulting from Serrano v. Priest in the sources of funds, including property taxation, applied to the support of public schools and any effect thereof on the moneys available to the District to pay the principal and interest on the Bonds are not determinable at this time. However, it is not believed that the result of any such further litigation will affect the validity of the Bonds.

PURPOSE OF ISSUE

The Bonds were authorized by more than two-thirds of the voters voting at an election duly held in the District and will be issued and sold for the purpose of raising money for authorized school purposes.

ESTIMATED DEBT SERVICE

Table 1 presents a schedule of estimated annual debt service for the Bonds currently being offered for sale and debt service on prior District bonds. Estimated interest on the Bonds, as shown in Table 1, is at the rate of 6-1/2 percent.

Table 1

CENTRAL SCHOOL DISTRICT
ESTIMATED BOND SERVICE REQUIREMENTS

Fiscal Year	\$1,570,000 Election 1977 Bonds, Series 1				Estimated Annual Bond Service (2)	Prior Bond Service (3)	Estimated Total Bond Service
	Outstanding December 1	Interest Payable 12/1 @ 6-1/2%	Interest Payable 6/1 @ 6-1/2%	Principal Maturing Dec. 1			
1978/79	\$1,570,000	\$102,050.00	\$ 50,700.00	\$ 10,000	\$ 162,750.00	\$ 91,125	\$ 253,875.00
1979/80	1,560,000	50,700.00	50,375.00	10,000	111,075.00	77,600	188,675.00
1980/81	1,550,000	50,375.00	49,887.50	15,000	115,262.50	54,900	170,162.50
1981/82	1,535,000	49,887.50	49,075.00	25,000	123,962.50	33,000	156,962.50
1982/83	1,510,000	49,075.00	48,100.00	30,000	127,175.00	31,500	158,675.00
1983/84	1,480,000	48,100.00	46,150.00	60,000	154,250.00	-	154,250.00
1984/85	1,420,000	46,150.00	44,037.50	65,000	155,187.50	-	155,187.50
1985/86	1,355,000	44,037.50	41,762.50	70,000	155,800.00	-	155,800.00
1986/87	1,285,000	41,762.50	39,325.00	75,000	156,087.50	-	156,087.50
1987/88	1,210,000	39,325.00	36,725.00	80,000	156,050.00	-	156,050.00
1988/89	1,130,000	36,725.00	33,962.50	85,000	155,687.50	-	155,687.50
1989/90	1,045,000	33,962.50	31,037.50	90,000	155,000.00	-	155,000.00
1990/91	955,000	31,037.50	27,950.00	95,000	153,987.50	-	153,987.50
1991/92	860,000	27,950.00	24,700.00	100,000	152,650.00	-	152,650.00
1992/93	760,000	24,700.00	21,125.00	110,000	155,825.00	-	155,825.00
1993/94	650,000	21,125.00	17,387.50	115,000 (1)	153,512.50	-	153,512.50
1994/95	535,000	17,387.50	13,325.00	125,000 (1)	155,712.50	-	155,712.50
1995/96	410,000	13,325.00	9,100.00	130,000 (1)	152,425.00	-	152,425.00
1996/97	280,000	9,100.00	4,550.00	140,000 (1)	153,650.00	-	153,650.00
1997/98	140,000	4,550.00	-	140,000 (1)	144,550.00	-	144,550.00
Totals		\$741,325.00	\$639,275.00	\$1,570,000	\$2,950,600.00	\$288,125	\$3,238,725.00

(1) Callable on or after December 1, 1988.

(2) Source: Stone & Youngberg Municipal Financing Consultants, Inc.

(3) Source: San Bernardino County Records of General Obligation Bond Service Requirements.

THE IMPROVEMENT PROGRAM

The Central School District was formed in 1912. The facilities of the District include two elementary schools and one intermediate school.

The Election 1977 Series 1 General Obligation Bonds currently being offered are a part of a \$2,500,000 authorization approved by more than two-thirds of the voters at an election held in the District on March 8, 1977, and will be issued and sold for the purposes of raising money for authorized school purposes. After the sale of the proposed Election 1977, Series 1 bonds \$930,000 of the original authorization will remain unsold.

Proceeds from the sale of the Election 1977 Series 1 bonds will be used to provide new facilities, improve existing facilities, and purchase a site. The District states the proceeds from the sale of the Election 1977, Series 1 bonds, totaling \$1,570,000, are planned as follows:

Elementary School site purchase	\$ 200,000
Capital improvement to existing intermediate school	310,000
New Elementary School	1,000,000
Contingencies	<u>60,000</u>
TOTAL	\$1,570,000

DISTRICT ORGANIZATION AND FINANCIAL DATA

ORGANIZATION

The Central School District provides kindergarten through eighth grade educational services to residents of an area encompassing approximately six square miles that includes a major portion of the unincorporated community of Cucamonga and a small part of the City of Upland.

The District has operated as an elementary school district under the laws of the State of California continuously since 1912. The District is governed by an independent Board of Trustees of five members who are elected at large for overlapping four-year terms. One trustee resigned on July 25, 1977 and this position is scheduled to remain vacant until another trustee is elected in January 1978. The District's affairs are administered by the Superintendent, who is appointed by the Board of Trustees. Mr. Donald L. Sperry has served the District as Superintendent since September 1, 1965. Mr. Sperry has been engaged in the field of education for 23 years.

FACILITIES AND ATTENDANCE

District facilities include two elementary schools and one middle school. The District's staff includes 85 certificated, 29 classified, 7 administrative personnel and 75 part-time employees. The District's projected average daily attendance for school year 1977/78 is 2,260.

Table 2 shows District assessed valuations, average daily attendance, and assessed valuation per student in average daily attendance over the past five years. During the five years ending in 1977/78, the District's assessed valuation increased approximately 91.1 percent and assessed valuations per unit of average daily attendance increased approximately 46.2 percent. Average daily attendance estimated at 2,260 in 1977/78 represents an increase of approximately 30.7 percent since 1973/74.

Table 2
CENTRAL SCHOOL DISTRICT
Assessed Valuation and Average Daily Attendance

Fiscal Year	Assessed Valuation (1)	Average Daily Attendance (2)	Assessed Valuation Per Unit Average Daily Attendance
1973/74	\$19,558,190	1,729	11,312
1974/75	22,677,970	1,820	12,460
1975/76	23,680,730	1,945	12,175
1976/77	29,543,915	2,110	14,002
1977/78	37,383,595	2,260 (3)	16,541

(1) Includes State reimbursed exemptions.

(2) Includes summer enrollments and special classes.

(3) Estimated during the period September 1977 through June 1978.

Sources: County Auditor-Controller and County Superintendent of Schools.

ASSESSED VALUATIONS

The San Bernardino County Assessor assesses property for District tax purposes. The State Board of Equalization reports the 1977/78 San Bernardino County valuations average 24.7 percent of full market value, except for public utility property, which is assessed by the State at 25 percent of full value.

Under California State Law, two types of exemptions of property from ad valorem taxes became effective in the 1969/70 fiscal year. One exempts 50 percent of the value of business inventories from ad valorem taxes. The other provides for an exemption of \$1,750 of the assessed valuation of an owner-occupied dwelling if the owner files for the exemption. Under a recently enacted Constitutional Amendment, the California legislature can raise this exemption. Revenue estimated to be lost to each taxing entity as a result of such exemptions is reimbursed to the taxing entity from state funds. The reimbursement is based upon total taxes which would be due on the assessed valuation of the property qualifying for these exemptions, without allowance for delinquencies. Table 3 presents the District's 1977/78 assessed valuation by tax roll, before and after these two exemptions.

Table 3 CENTRAL SCHOOL DISTRICT 1977/78 Assessed Valuation				
Tax Roll	Taxable Assessed Valuation	Homeowners Exemptions	Business Inventory Exemptions	Assessed Valuation for Revenue Purposes
Secured	\$28,917,430	\$4,767,350	\$ 40,880	\$33,725,660
Utility	2,497,850	-	-	2,497,850
Unsecured	935,050	-	225,035	1,160,085
Total	\$32,350,330	\$4,767,350	\$265,915	\$37,383,595

Source: San Bernardino County Auditor-Controller.

Table 4 shows a five-year history of the District's assessed valuation by tax roll prior to deductions for the two previously discussed special exemptions.

Table 4 CENTRAL SCHOOL DISTRICT Assessed Valuation by Tax Roll (1)					
Tax Roll	1973/74	1974/75	1975/76	1976/77	1977/78
Secured Roll	\$17,448,130	\$20,188,490	\$20,906,080	\$26,543,725	\$33,725,660
Unsecured Roll	516,190	770,870	933,210	962,190	1,160,085
Utility Roll	1,593,870	1,718,610	1,841,440	2,038,000	2,497,850
Total	\$19,558,190	\$22,677,970	\$23,680,730	\$29,543,915	\$37,383,595

(1) Includes reimbursable exemptions.

Sources: San Bernardino County Auditor-Controller.

REVENUE LIMITATIONS

Since 1973/74, California school districts have operated under general purpose property tax revenue limitations established in legislation adopted in 1973. This legislation, however, does not impose a maximum property tax rate for the purpose of meeting general obligation bond service payments. The Board of Supervisors of San Bernardino County is required to levy ad valorem taxes without limit as to rate or amount to meet general obligation debt service of the District.

Since 1973/74 allowable annual tax rates to be applied to a district's assessed valuation have been derived from a statutory formula which takes into account a number of factors including adjustments for inflation, limited mandatory contributions to the Teachers' Retirement System, basic state aid, state equalization aid, changes in average daily attendance, and prior years' tax collections. The tax required to raise the general purpose monies is the District's maximum general purpose tax rate (see Table 5).

The District's revenue limit per unit of average daily attendance and general purpose tax rate actually levied in 1976/77 were: \$1,021 and \$2.4896 per \$100 assessed valuation, respectively.

In 1977/78, the revenue limit per unit of average daily attendance is \$1,088 with a general purpose tax rate of \$2.5903 per \$100 of assessed valuation.

TAX RATES

Table 5 shows the Central School District tax rate for the past five-year period. The District's total tax rate during this period ranged from \$2.9834 to \$2.7354 per \$100 assessed valuation.

Table 5
CENTRAL SCHOOL DISTRICT
Tax Rate Distribution by Purpose

	1973/74	1974/75	1975/76	1976/77	1977/78
General Purpose	\$1.1728	\$1.2170	\$1.2945	\$1.2975	\$1.3199
Community Services	.0417	.0378	.0436	.0434	.0500
Meals for Needy Pupils					.0494
State Loan Repayment	.0774	.0429	.0496	.1179	.1379
Areawide Tax Rate	1.0743	1.0259	1.0332	1.0308	1.0331
Total General Fund	\$2.3662	\$2.3236	\$2.4209	\$2.4896	\$2.5903
Bond Interest and Redemption	.4680	.4811	.3145	.2816	.3931
Total Rate	\$2.8342	\$2.8047	\$2.7354	\$2.7712	\$2.9834

Source: San Bernardino County Auditor-Controller and District Audit Reports.

There are nine tax code areas in the District. In the tax year 1977/78, total tax rates within these code areas ranged from \$11.3204 to \$13.5949 per \$100 assessed valuation. Tax Code Areas 6001 and 6007, located in unincorporated areas, together account for 78 percent of the District's total 1977/78 assessed valuation. The record of total tax rates levied in these two tax code areas over the past five fiscal years is shown on the following page.

Tax Rates**Code Areas 6001 and 6007**

Fiscal Year	1973/74	1974/75	1975/76	1976/77	1977/78
County	\$ 3.1327	\$ 3.1466	\$ 3.1466	\$ 3.1616	\$ 2.8356
Schools	6.2959	6.1591	6.0927	6.1954	5.9194
County Service Areas	.3386	.2623	.3350	.3676	.2876
Fire District	.6143	.6905	.7219	.7000	.8972
Flood Zone 1	.3000	.3000	.3000	.3000	.2971
Municipal Water	.4800	.4800	.5500	.6400	.7600
Metro Water	.1800	.1800	.1600	.1500	.1400
Other Water	.4700	.4700	.3100	.6275	.3900
Total Rate, All Property	\$11.8115	\$11.6885	\$11.6162	\$12.1421	\$11.5269
Land Only Rates:					
Soil Conservation	-	-	-	-	.0275
Water Agency (1)	.2145	.2145	.2145	.2145	.2145
Total, All Rates	\$12.0260	\$11.9030	\$11.8307	\$12.3566	\$11.7689

(1) Applies to Code Area 6001 only.Source: San Bernardino County Auditor-Controller.

LARGE TAXPAYERS

The largest taxpayer in the District for the current tax year is General Telephone Company of California, which operates a regional service facility in Cucamonga. Ten major taxpayers in the District are shown below, as reported by the County Assessor.

Name of Taxpayer	1977/78 Assessed Valuation
General Telephone Company of California	\$1,830,780
Red Hill Country Club - Cucamonga, CA	1,326,000
Haven Investment Company - Cucamonga, CA	982,000
Frank H. and Louis G. Bandy - West Covina, CA	829,500
Union Steel Company - Oakland, CA	824,000
Stan and Ruth Flinkman (ET AL) - Santa Monica, CA	720,000
John F. and Fauvette Anderson - Stanton, CA	660,000
H. H. Downey Inc. - Ontario, CA	441,480
Jafam Corporation (ET AL) - Ontario, CA	348,900
Cucacal Corporation - New York, NY	323,700

Source: San Bernardino County Assessor.

TAX LEVIES, COLLECTIONS, AND DELINQUENCIES

Ad valorem taxes are collected for the District by the San Bernardino County Tax Collector at the same time and on the same rolls as county and special district taxes. Secured taxes are due on November 1 and March 1 and become delinquent on December 10 and April 10. Taxes on unsecured property are due on March 1 and become delinquent in the following fiscal year on August 31.

The District's tax collection experience since 1972/73 is presented in the tabulation below. Over the five year period, the rate of current delinquency averaged 3.51 percent.

DISTRICT GENERAL FUND SECURED TAX LEVIES AND TAXES APPORTIONED BY COUNTY CONTROLLER

Fiscal Year	Secured Tax Levy	Amount Delinquent June 30	Percent Delinquent June 30	Prior Year Collections	Total Collections	Total Percent Collected (1)
1972/73	\$407,260	\$16,757	4.11%	\$11,844	\$402,347	98.79%
1973/74	203,524 (2)	7,806	3.84	15,670	211,388	103.86
1974/75	236,852	8,158	3.44	4,477	233,171	98.45
1975/76	260,374	10,030	3.85	11,732	262,076	100.65
1976/77	355,432	8,126	2.29	11,379	358,685	100.92

(1) As percent of current levy. Includes penalties and interest.

(2) Reimbursable homeowners exemptions increased to \$1,750 from \$750, resulting in lower taxable assessed valuation.

Source: County Superintendent of Schools and District audit reports.

FUND BALANCES

The tabulation below presents the surplus balances in all District funds as of June 30 for the past five fiscal years.

CENTRAL SCHOOL DISTRICT Fund Balances as of June 30

Fund	1973	1974	1975	1976	1977
General Fund	\$176,675	\$244,450	\$157,023	\$214,569	\$283,611
Bond Int. & Redemp. Fund	42,034	50,148	93,904	92,496	93,351
State School Building Fund	9,940	6,607	6,599	35	-
Student Body Fund	509	1,655	660	2,065	2,237
Cafeteria Account	2,647	2,303	3,116	4,922	8,142

Source: District audit reports (1973-76). Annual Budget Report (1977).

GENERAL FUND INCOME AND EXPENDITURES

Table 6 presents a five-year summary of income and expenditures of the Central School District as reported in annual audits and financial reports of the District. Also included in Table 6 is the annual expenditure budget and the annual variation of these budgets to actual expenditures.

Table 6
CENTRAL SCHOOL DISTRICT
Summary of General Fund Income and Expenditures

Fiscal Year	1971/72	1972/73	1973/74	1974/75	1975/76
Beginning Balance July 1	\$ 176,799	\$ 147,537	\$ 176,675	\$ 244,450	\$ 157,023
Adjustment to Beginning Balance	4,049	1,039	3,618	(635)	8,140
Net Beginning Balance	\$ 180,848	\$ 148,576	\$ 180,293	\$ 243,815	\$ 165,163
<u>Income:</u>					
Federal Sources	\$ 90,122	\$ 112,858	\$ 36,101	\$ 49,598	\$ 69,511
State Sources	532,899	577,266	1,023,811	1,125,970	1,375,647
County Sources	17,966	29,013	17,033	14,718	11,931
Local Sources	635,310	689,252	487,510	554,511	631,132
Incoming Transfers	527	1,822	4,852	2,638	20,174
Subtotal	\$1,276,824	\$1,410,211	\$1,569,307	\$1,747,435	\$2,108,395
Total Income Available	\$1,457,672	\$1,558,787	\$1,749,600	\$1,991,250	\$2,273,558
<u>Expenditures: (1)</u>					
Certificated Salaries				\$1,077,318	\$1,193,551
Classified Salaries				299,350	339,205
Employee Benefits				177,084	207,257
Books, Supplies, Equipment Replacement				81,762	99,440
Contracted Services				116,415	152,261
Administration	\$ 60,482	\$ 65,930	\$ 73,218		
Instruction	859,415	921,437	985,704		
Health Services	7,261	9,466	5,149		
Pupil Transportation	31,788	32,690	33,811		
Operation of Plant	93,682	91,402	125,685		
Maintenance of Plant	33,843	42,655	64,146		
Fixed Charges	111,119	145,650	150,468		
Food Services	1,284	1,562	1,830		
Community Services	7,870	9,920	10,597		
Capital Outlay	55,333	27,990	33,571	65,894	44,893
Debt Service - Repayment					
School Building Aid Loans	25,669	16,213	15,230	10,210	11,632
Outgoing Transfers	22,389	17,197	5,741	6,194	10,750
Total Expenditures	\$1,310,135	\$1,382,112	\$1,505,150	\$1,834,227	\$2,058,989
Revised Budget Expenditures	1,393,081	1,583,916	1,632,002	1,949,055	2,198,672
Variance to Actual Expenditures	82,946	201,804	126,852	114,828	139,683

Ending Balance June 30 \$ 147,537 \$ 176,675 \$ 244,450 \$ 157,023 \$ 214,569

(1) Beginning in 1974/75 all school districts in the State of California were required to follow accounting and financing reporting procedures in accordance with revenue source categories and classification object code prescribed by the California State Accounting Manual. Certain expenditure items in 1974/75 and 1975/76 cannot, therefore, be directly compared with prior years.

Source: District audit reports for individual years.

The tabulation in Table 7 shows a summary of the District's 1976/77 actual income and expenditures shown in the annual budget report, together with a summary of the District's 1977/78 general fund budget.

Table 7
CENTRAL SCHOOL DISTRICT
General Fund Income and Expenditures and 1977/78 Budget

	1976/77 Actual	1977/78 Budget
<u>Income</u>		
Adjusted Net Beginning Balance	\$ 217,187	\$ 282,224
Federal Income	61,537	65,890
State Income	1,696,213	1,804,645
County Income	21,782	9,500
Local Income	803,539	1,182,600
Incoming Transfers	15,167	15,000
Total Available Income	\$2,815,425	\$3,359,859
<u>Expenditures</u>		
Certified Salaries	\$1,407,520	\$1,747,348
Classified Salaries	417,939	533,229
Employee Benefits	277,053	393,621
Books, Supplies and Equipment Replacement	145,584	163,124
Contracted Services and Other Operating Expenses	177,306	238,452
Sites, Buildings, Books, Media and New Equipment	59,953	67,623
Other Outgo, Including School Building Apportionment	47,847	65,086
Total Expenditures	\$2,533,202	\$3,208,483
Appropriations for Contingencies	-	\$ 126,376
Net Ending Balance	\$ 282,223	\$ 25,000

Source: Annual Budget Report (Form J-41), July 1, 1977 to June 30, 1978, adopted by the governing board of Central School District on August 4, 1977. The 1976/77 general fund, at this time, is unaudited.

EMPLOYER-EMPLOYEE RELATIONS

Certificated personnel of the Central School District are members of the recognized professional organization of the Central Teachers Organization (California Teachers Association and National Education Association Affiliate). Classified employees may be members of Local 605, California School Employees Association.

The District has negotiated employment contracts with the above organizations for the 1977/78 school year. Administrative and confidential personnel are not covered by these contracts.

Effective July 1, 1976, provisions of the Rodda Act codified as Chapter 961 of the 1975 Statutes affects all school districts in California. In case of labor disputes, local grievance procedures may be operative (if established by contract), or both parties may agree to submit grievances to final and binding arbitration pursuant to rules adopted by the Educational Employment Relations Board, which administers the Act. The Act's provisions with respect to the rights, obligations, and unfair practices applicable to management and labor became effective April 1, 1976.

PENSION PLANS

The District participates in the State of California Teachers' Retirement System (STRS). This plan covers basically all full-time certificated employees. The District's contribution to STRS for fiscal year 1976/77 amounted to \$79,960, which includes both current costs and backfunding.

The District also participates in the State of California Public Employees' Retirement System (PERS). This plan covers all classified personnel who are employed at least 50 percent of the workweek. The District's contribution to PERS for 1976/77 amounted to \$19,998, which includes both current costs and backfunding.

In addition to the above statewide plans, the District paid \$11,017 in 1976/77 to Federal Social Security (OASDI).

The State Teachers' Retirement System (STRS) operates under provisions of the State Education Code. The System includes California public teachers from preschool through grade fourteen and certain other employees of the public school system. There were approximately 331,200 active and inactive members and 64,800 benefit recipients at June 30, 1976. Membership is mandatory for all certificated employees meeting the eligibility requirements.

The System is financed by earnings from investments and contributions from members, school districts, and the State of California, which pays \$144,300,000 annually to the year 2002, subject to annual legislative appropriation. Members contribute 8% of applicable earnings, and school districts contribute a percentage of applicable member earnings, rising to a maximum of 8% beginning July 1, 1978.

As of June 30, 1976, the net unfunded obligation of the System was estimated to be \$7,843,527,561, based on a projection of the \$7,457,041,757 net unfunded obligation determined in the June 30, 1975 periodic actuarial valuation. According to the actuarial report, combined contribution rates of members and school districts (16% at July 1, 1978) are insufficient to realize adequate funding. Any revision to the existing financing structure can be accomplished only through a change in the State Teachers' Retirement Law.

Actuarial valuations of the System are based upon the entry-age-normal cost method, which is a projected benefit cost method wherein level normal cost rates (contributions) are computed sufficient to fund benefits over the entire service life of members. The Systems' financial statements are prepared on the accrual basis of accounting.

The State Teachers' Retirement System's actuary is Milliman and Robertson, Inc., of San Francisco, California; Investment Counsel for equities is B A Investment Management Company, San Francisco, California; auditor is Coopers and Lybrand, Sacramento, California.

The State Public Employees' Retirement System (PERS). This system, originally established in 1931, is governed by an eleven member Board of Administration, including the State Director of Finance. As of June 30, 1976, there were 543,436 members, of whom approximately 10% are classified as "safety" members (principally fire and police duties) and the balance are classified as "miscellaneous" members (management, administrative, staff, operational and clerical employees).

Approximately 33% of the members are state personnel and the balance (67%) are public agency personnel. As of June 30, 1976, the System provided retirement, death and survivor benefits under 944 contracts for about 1,950 public agency employers (cities, counties, and other public agencies) with 364,116 members. The System's funding is by employer and employee contributions together with investment income. Contributions fluctuate yearly depending on the number of members and their respective salary schedules. The annual contribution by the State of

California for the 1975 and 1976 fiscal years, as reported by the State Controller, was \$231,057,854 and \$289,502,746, respectively. The System's financial statements are prepared on an accrual basis of accounting and the System's auditor is Coopers and Lybrand, Sacramento, California. Citicorp Investment Management, Inc., San Francisco, provides investment advisory services. The System's actuarial activities are conducted internally on a continuous basis, with an experience analysis being conducted no less than every four years. This was last done as of June 30, 1974.

Total assets of the System at June 30, 1976 were \$7,910,606,976, according to the annual report. Of this amount, reserves of \$7,862,480,565 were available for benefits. The unfunded obligation of the System was determined to be \$6,131,556,655 at June 30, 1975 (state members \$3,471,553,401, local governmental members \$2,660,003,254). The comparable amount for June 30, 1976 is not available. The amount of the respective unfunded liabilities will vary from time to time depending upon the actuarial assumptions utilized, rates of return on investments, and salary scales. The present System policy is designed to satisfy the unfunded obligation by June 30, 2000.

LEASE AGREEMENTS

The District had a June 30, 1977 contingent liability of \$36,347 on lease agreements with option to purchase, as noted below:

	Bus	Relocatable Classrooms
Balance, June 30, 1977	\$10,791	\$25,556

The final lease payment for the bus is due July 1, 1979 in the amount of \$3,448. Final payment for the relocatable classrooms is due October 4, 1980, in the amount of \$4,643.

The District is leasing a commercial building for District administration purposes. A three-year renewable lease was consummated at \$7,200 per year beginning fiscal year 1977/78.

DISTRICT AND ESTIMATED OVERLAPPING BONDED DEBT

The District's general obligation bonding capacity is equal to five percent of its assessed valuation after all exemptions except homeowners and business inventory, as adjusted by the Collier Factor. The Collier Factor is a comparison of the county's assessment level with the statewide average ratio. The factor is used to offset differences in assessment levels for intercounty school districts and conforms assessment to the statewide average assessment level for all property. The District's bonding capacity as reported by the San Bernardino County Auditor-Controller is \$1,870,924. Upon delivery of the bonds currently being offered, the District's general obligation bonded debt will be \$1,870,000.

Following is a summary of the District's outstanding bonded debt as of June 30, 1977, with bond service requirements by individual years to final maturity. Table 8 is a statement of direct and overlapping bonded debt of the District as of November 21, 1977.

District Outstanding Bonded Debt
as of June 30, 1977

Issue	Amount	Final Maturity	Amount Outstanding June 30, 1977
June 1961	\$150,000	June 1979	\$ 20,000
July 1964	170,000	July 1979	60,000
December 1965	175,000	December 1980	80,000
February 1971	350,000	December 1983	180,000
Total			\$340,000

Debt service requirements by individual years to maturity are presented below.

Fiscal Year	Bond Principal	Interest	Total
1977/78	\$ 80,000	\$14,650	\$ 94,650
1978/79	80,000	11,125	91,125
1979/80	70,000	7,600	77,600
1980/81	50,000	4,900	54,900
1981/82	30,000	3,000	33,000
1982/83	30,000	1,500	31,500
Totals	\$340,000	\$42,775	\$382,775

Table 8
CENTRAL ELEMENTARY SCHOOL DISTRICT
Statement of Direct and Estimated Overlapping Bonded Debt(1)

	Estimated population	14,000	
	Assessed valuation	\$ 37,383,595 (2)	
	Estimated real value	\$151,229,234 (3)	

Public Entity	Percent Applicable	Estimated Debt Applicable November 21, 1977
San Bernardino County Free Library	1.672%	\$ 17,138
San Bernardino County Building Authorities	1.224	157,834
Metropolitan Water District	0.074	395,232
Cucamonga County Water District	20.626	626,801
Cucamonga County Water District, I.D. #1963-1	25.312	291,088
Chaffey Community College District	3.232	12,928
Chaffey Union High School District	5.087	253,332
Central School District	100.	1,890,000 (4)
City of Upland & Building Authority	0.459	11,796
Chino Basin Municipal Water District	3.232	455,410
TOTAL GROSS DIRECT AND OVERLAPPING BONDED DEBT		\$4,111,559
Less: Upland water bonds (100% self-supporting)		5,760
Cucamonga County Water District (70% self-supporting)		438,761
TOTAL NET DIRECT AND OVERLAPPING BONDED DEBT		\$3,667,038

	Ratio To		
	Assessed Valuation	Real Value	Per Capita
Assessed valuation	-	-	\$2,670
Direct debt	5.06%	1.25%	\$ 135
Net direct and estimated overlapping bonded debt	9.81%	2.42%	\$ 261

(1) Compiled in cooperation with California Municipal Statistics, Inc.

(2) The 1977/78 assessed valuation is before deduction of \$5,033,265 homeowners' and business inventory exemptions, the taxes on which are paid by the State of California.

(3) State Board of Equalization reports that 1977/78 San Bernardino County Assessed Valuations averaged 24.7% of full market value. Public utility property (\$2,497,850) is assessed at 25% of full market value.

(4) Includes \$1,570,000 to be sold on November 21, 1977.

ECONOMY OF THE DISTRICT AND SURROUNDING AREA

The Central School District is located in southwestern San Bernardino County. It embraces approximately six square miles, including a major part of the unincorporated community of Cucamonga. Bordering the District on the west is the City of Upland, a small portion of which lies within the District. To the north and east, respectively, are the unincorporated communities of Alta Loma and Etiwanda. The District is about 42 miles east of Los Angeles and 19 miles west of San Bernardino.

District boundaries encompass approximately the northern half of Cucamonga, the southern portion of which is served by the Cucamonga School District. Prior to 1960, agriculture was dominant in the economy of the area. Vineyards still exist in the District. However, pressures of urban growth have gradually raised land values and taxes in recent years and have reduced the profitability of grape production. The supply of grapes for the operating wineries in the area now comes largely from other parts of Southern California. The District has experienced a building boom in recent years, with many new homes being purchased by families relocating from Orange and Los Angeles Counties. In many cases, the principal wage earner commutes from his new District residence to the job he had before the move.

Cucamonga has a substantial industrial base. There are 75 manufacturing plants in the community, producing a wide variety of consumer and industrial goods ranging from fine wines to textiles and fabricated steel structural members. Most of the industrial establishments are located south of the District boundary. Largest industrial employer within the District is Data-Design Laboratories, an electronics and technical training firm which employs 700 nationwide and 195 at local facilities in the District.

Economic studies prepared for the San Bernardino County General Plan by Wilsey & Ham indicate that the West Valley area of San Bernardino County, of which the District is a part, can become the third most important area of industrial concentration in Southern California, ranking behind only Vernon-Los Angeles-Commerce and the Wilmington-San Pedro areas.

POPULATION CHARACTERISTICS

Cucamonga lies within two census divisions which reported combined 1960 populations of 10,907 and 16,315 in 1970, for a gain of nearly 50 percent in the decade of the sixties. There are no comparable data for Cucamonga itself.

During April 1975 a special census was conducted for San Bernardino County by the U. S. Bureau of the Census. District boundaries extend into three planning districts utilized by the County Planning Department for making demographic studies. Changes between 1970 and 1975 for population and housing within these planning districts are shown below.

SAN BERNARDINO COUNTY PLANNING DISTRICTS Population and Housing, 1970 and 1975

Planning District	Population			Dwelling Units		
	1970	1975	% Change	1970	1975	% Change
P.D. 5 N.E. Upland	9,114	9,546	4.7	2,535	2,839	12.0
P.D. 6 Alta Loma-Etiwand	10,552	16,696	58.2	3,008	5,113	70.0
P.D. 7 Cucamonga So.	5,444	5,658	3.9	1,481	1,843	24.4

Source: U.S. Bureau of the Census, reported by San Bernardino County Planning Department.

The greater part of the District is located in Planning District 6, which has the highest growth rate of the three planning areas noted above. Based on 1970 U.S. Census and 1975 Special Census data, it is estimated that the District has a present population of 14,000 persons.

Over 70 percent of housing units reported for census divisions embracing Cucamonga in 1970 were owner-occupied, and nearly 95 percent were single-family dwellings. Median housing value reported was \$17,800 and median monthly rental \$109. Median family income in Cucamonga was \$10,288 and average family income was \$10,216 in the 1970 Federal Census.

EMPLOYMENT AND INDUSTRY

In 1973 the U. S. Department of Labor prepared a Manpower Profile for the Cucamonga Zip Code Area. The report indicated that 4,846 persons were gainfully employed, out of an estimated labor force of 5,093 and an area population of 13,135. The unemployment rate was 4.8%, based on these government estimates.

According to the study, more than one-third of employed persons in this labor area are operatives, craftsmen, or foremen. About one-fourth are in personal service or clerical occupations, and approximately 13 percent are classified as professional people. By industrial classification, about 30 percent are in manufacturing, with durable goods predominating, and about 17 percent in whole-sale or retail trade. Other significant categories are professional or related services, construction, and educational services.

It was estimated that of the 3,198 families in the Cucamonga Zip Code Area, 21 percent realized family income of \$15,000 or more annually.

In 1961 Otis Elevator Company, still one of the community's largest employers and taxpayers, opened a plant in Cucamonga. This event marks the emergence of an urban-industrial economy in the area. Since that time the development of industry has been occurring at a continually increasing rate.

Several factors combine to make the District and vicinity attractive for industrial development:

- . Pressures of urban development from the Los Angeles Basin and the area's proximity to that market.
- . The presence of Kaiser Steel, the only fully integrated steel plant on the Pacific Coast, within a few miles of the District.
- . Outstanding rail, highway, and air transportation facilities.
- . Major utility installations including a 36-inch interstate gas transmission main, a 1,000,000 kw generating plant in nearby Etiwanda, two major transmission lines of the Metropolitan Water District, and two inter-connected industrial waste outfall lines.
- . Availability of a ready labor supply.
- . Availability of large tracts of readily developable land at comparatively low costs.
- . The existence of several large industrial parks owned by private agencies such as Santa Fe Land Improvement Company, Southern Pacific, and other large landowners. These industrial areas are shown on page 20.

The largest industrial employer in Cucamonga is General Knit of California, a firm owned by Japanese interests which opened a \$10 million textile plant on Fourth Street early in 1975. Being a modern and complete textile installation, the Cucamonga plant represents the development of a new

industry on the West Coast. The Cucamonga facility employs over 300 workers. Other large industrial employers in Cucamonga include Frito-Lay, Inc., a producer of snack foods, and Otis Elevator Co., a manufacturer of elevators and moving stairways. Data-Design Laboratories (located in the District) employs nearly 200 persons at its Cucamonga headquarters. The firm is engaged in the production of printed circuit boards, lighting devices, electronic assemblies, and system engineering.

A listing of the largest industrial employers in Cucamonga and nearby communities is presented below. Residents of the District are within convenient commuting distance of major employment centers in the San Bernardino-Riverside-Ontario Metropolitan Area. Employment opportunities in this general area are discussed in the section entitled "San Bernardino Valley."

LARGEST INDUSTRIAL EMPLOYERS IN VICINITY OF THE DISTRICT

Company	Product/Service	No. of Employees
<u>Cucamonga</u>		
Columbian Ribbon & Carbon Manufacturing Co., Inc.	Carbon paper & business machine ribbons	100-250
Data-Design Laboratories	Electronics, technical training & educational materials	100-250
Fasson Products	Adhesive coated paper, films & foil	100-250
Frito-Lay, Inc.	Snack foods	100-250
General Knit of California, Inc.	Knitted textiles	250-500
Metropolitan Wire Goods Corp.	Fabricated wire products	100-250
Mobile Industries, Inc.	Mobile homes	100-250
Phillips Industries, Inc.	Aluminum windows & door for recreational vehicles	100-250
Safetran Systems Corp.	Railroad electronic signaling & communications equipment	100-250
SA Enterprises	Mobile homes	100-250
<u>Alta Loma</u>		
American Can Company	Plastic bottles	100-250
<u>Etiwanda</u>		
Ameron Steel Producing Division	Steel bar, coil, wire & mesh	250-500
National Can Corporation	Lithographed metal containers	250-500
<u>Upland</u>		
Inspiron	Disposable medical products	100-250
Newand Die & Manufacturing Company, Inc.	Custom & plastic molding	100-250
Pactra Industries, Inc.	Package lacquers & manufacture paint	100-250
Upland Lemon Growers Ass'n.	Citrus harvesting	100-250
<u>Fontana</u>		
Kaiser Steel Corporation	Steel manufacture, plate & structural fabrication	Over 8,000
<u>Guasti</u>		
Brookside Vineyard Co.	Wines, brandy & champagne	100-250
<u>Ontario</u>		
Armstrong Nurseries	Nursery stock	100-250
General Electric Co.	Electric flat irons	Over 1,000
General Electric Co.	Jet engine overhaul & related equipment	250-500
Hooker Industries, Inc.	Exhaust systems	100-250
Ideal Industries	Travel trailers	100-250
Keystone Products, Inc.	Wheels, auto accessories & die casting	250-500
Lockheed Aircraft Service Company	Aircraft maintenance	500-1,000
Parco-Plastic & Robber Products Co.	Custom molded rubber products	250-500
Progress Bulletin Publishing Co.	Newspaper publishing	100-250
Richton Sportswear	Boy's & men's sportswear	250-500
Sunkist Growers, Inc.	Orange products	500-1,000
The Woodworks - Dynamite Furniture	Wood furniture	100-250
Source: Ontario Chamber of Commerce.		

INDUSTRIAL PARKS IN CUCAMONGA

Park/District	Year Established	Number of Acres
Archibald Industrial District	1968	150
Cucamonga Industrial Center	1955	55
Haven Industrial Park	1968	34
Source: California Chamber of Commerce.		

CONSTRUCTION ACTIVITY

Building permit valuations for Cucamonga are not segregated by San Bernardino County. However, the vigorous pace of new residential construction in the District is reflected in data compiled by the District and by a leading title insurance company, as described below.

Developer activity is monitored quarterly throughout Southern California by First American Title Insurance Co. of Santa Ana, Orange County. According to this firm's most recent bulletin, the Upland-Cucamonga-Alta Loma area was the most active area in San Bernardino County for residential construction during the second quarter of 1977, with 1,574 lots recorded during the quarter out of a county total of 3,190 lots. The report covers activity of all developers constructing three or more homes.

Data pertaining to Central School District were accumulated from the above report by Stone & Youngberg Municipal Financing Consultants, Inc. and are contained in the following summary. This summary names principal developers active as of the second quarter of 1977, the total number of units scheduled, the number of units completed during the quarter, and total units sold. Virtually all are single family homes, 15 builders had scheduled a total of 732 units, completed 420, and sold 425. The homes are largely in the \$50,000-\$80,000 price range. The fact that the number of units scheduled is considerably more than the number completed or sold is further evidence of the District's attraction to home builders.

RESIDENTIAL DEVELOPER ACTIVITY IN THE DISTRICT STATUS AS OF SECOND QUARTER 1977

Developer	Total Units	Number Completed	Total Sales
Bob Jensen Builder, Inc.	41	40	35
Thompson Assoc.	85	80	82
Crowell/Leventhal Inc.	77	76	70
R. WMCO Inc.	32	32	32
Coral Investment, Inc.	52	52	47
Multi-Benefit Realty Fund IV	11	0	1
Lewis Homes of California	111	106	96
C. William & Verna M. Legrand	24	22	21
Harnish, Morgan & Causey	4	0	0
Anderson & Harnish	4	2	1
Bob Jensen Builders	84	0	40
R & J Investors	59	10	0
Brattain Contractors	44	0	0
Clarence E. Minnerly	62	0	0
Kent Land Co.	42	0	0
Totals	732	420	425

Source: "Recorded Facts", First American Title Insurance Co. of Santa Ana, California. Compiled by Stone & Youngberg Municipal Financing Consultants, Inc.

Lewis Homes of Upland, California has filed plans with San Bernardino County regulatory authorities for a planned residential community known as "The Highlands" in the eastern part of the District. This development, if approved, will cover 1,301 acres and extend into portions of two adjoining school districts. Approximately 65 percent of total acreage will be devoted to 5,000 single family residences.

A major part of this planned community lies within boundaries of the Central School District, including a regional shopping center, a civic center, three school sites, a hotel, five parks, a church site, professional and office buildings, apartments, and approximately half the total number of single family residences noted above.

Detailed plans for this development are now under review by County officials, and it cannot be determined at this time if or when the project will be carried out in its present form.

COMMERCE

The central business district of Cucamonga is located at the intersection of Archibald Avenue and Foothill Boulevard (U.S. 66), in the south central part of the District. Commercial banking services in the community are made available by Bank of America N.T. & S.A., and the First National Bank and Trust Co. Additional financial services are offered by Wilmington Savings and Loan Association, which recently completed a new office in Cucamonga.

Taxable transactions are not available for Cucamonga. However, an indication of economic strength in the area can be obtained from the level of taxable transactions in the incorporated communities of Upland, Ontario, and Fontana, which border Cucamonga on the west, south, and east, respectively. Shown below are taxable sales data for these cities reported by the State Board of Equalization.

TAXABLE TRANSACTIONS, ADJOINING CITIES

City	1972	1973	1974	1975	1976
Upland	\$ 56,471,000	\$ 66,890,000	\$ 72,656,000	\$ 80,906,000	\$102,887,000
Ontario	131,543,000	147,862,000	150,845,000	164,057,000	197,492,000
Fontana	51,378,000	57,956,000	62,431,000	67,688,000	77,646,000

UTILITIES

Southern California Gas Company and Southern California Edison Company provide natural gas and electric power to the District. Available to local industry is a 36-inch diameter east-west gas transmission main with a capacity of approximately 400 billion cubic feet of natural gas per day. The Etiwanda steam generating plant of Southern California Edison Co. has a generating capacity of 1,000,000 kw.

General Telephone Company of California maintains a headquarters service center in the District for dispatching repair and maintenance crews. This center serves as a supply, garage, and equipment maintenance plant for the surrounding area.

Water and sewer services are provided by the Cucamonga County Water District.

TRANSPORTATION

Major transcontinental rail, highway, and air facilities in or near the District constitute a strong attraction for commerce and industry, and enable District residents to commute over a wide area. Two of the most important facilities are Interstate 10 (San Bernardino Freeway) and Ontario International Airport, both within a few miles of the District's southern boundary.

Paralleling Interstate 10 are main lines of Southern Pacific, Union Pacific, and the Atchison, Topeka, and Santa Fe Railway. A branch line of Southern Pacific serves industrial and distribution activities in the District.

U. S. 66 (Foothill Boulevard) traverses the southern part of the District. Baseline Road (California 30) forms the northern boundary of the District. California 83 (Euclid Avenue) is a north-south artery about one mile to the west. About the same distance to the east is the new Devore Freeway (Interstate 15). These principal north-south highways provide linkage with the San Bernardino Freeway, the Pomona Freeway, and the proposed Foothill Freeway to the north.

Ontario International Airport, three miles south of the District, is a dominant factor in the industrial development and future potential of the area. The existence of the airport is considered a major attraction in the location of industries for whom air freight and transportation of personnel are considered of growing importance. Nine air carriers have regularly scheduled flights to and from Ontario International Airport, which is under control of the Los Angeles Department of Airports. The Department will spend more than \$100 million in improvements at Ontario in accordance with its master plan by 1980. The 1,450-acre terminal, second largest in Southern California, accommodates more than 1.3 million passengers and over six million pounds of air cargo annually.

Cable Airport, six miles west of Cucamonga on U.S. 66, has complete facilities for servicing general and executive aircraft.

Interurban bus service is provided by Southern California Rapid Transit, Greyhound Bus Lines and Continental Trailways. Local bus service is scheduled by Omnitrans, a community transportation authority which initiated service in January 1975.

Shipping facilities to intercoastal and world markets are available at Los Angeles Harbor and Port of Long Beach.

EDUCATION

Public education in San Bernardino County is administered by 19 elementary school districts, two high school districts, 13 unified (K-12) school districts, and four community college districts. Enrollment in the secondary grades has increased, as shown in the following five-year summary.

SAN BERNARDINO COUNTY
Total Enrollment in Public Schools

Grades K-14	1972	1973	1974	1975	1976
Elementary (K-8)	116,388	113,616	111,339	111,146	111,599
Secondary	66,207	66,444	69,296	71,466	72,443
Community College	<u>27,984</u>	<u>28,697</u>	<u>32,818</u>	<u>41,835</u>	<u>36,271</u>
Total	210,579	208,757	213,453	224,447	220,313

Source: County Superintendent of Schools.

The District is located in the Chaffey Joint Union High School District, which operates six high schools in the general area. Public education beyond high school is available at Chaffey College in Alta Loma, two miles north of the District. The college, a unit of the Chaffey Community College District, was founded in 1883 as a preparatory school, organized as a junior college in 1916, and reorganized as a junior college in 1922. The campus was relocated to its present site in 1960. In 1975/76 total enrollment was 11,897, with 4,626 full-time students.

Chaffey College offers two-year programs for vocational students and those planning to transfer to a four-year institution. Among other facilities the college operates the Daniel B. Milliken Planetarium, an aeronautics building at Ontario International Airport, and Skill Centers at Fontana and Ontario. More than 1,100 adult education participants take vocational courses at these Skill Centers each year.

Colleges and universities within a 35-mile radius of the District include the University of California at Riverside, San Bernardino State College, California State Polytechnic University at Pomona, University of Redlands, Loma Linda University, the Claremont Colleges (Scripps, Pomona, Claremont, Harvey Mudd, Pitzer), the Claremont Graduate School, California Institute of Technology, Whittier College, and Fullerton State University in Orange County.

COMMUNITY FACILITIES AND RECREATION

Hospital care is available at the 309-bed San Antonio Community Hospital in Upland and at two general hospitals in Ontario with a combined capacity of 408 beds. There are convalescent hospitals in Alta Loma and Upland having a total of more than 300 beds.

The Cucamonga-Alta Loma Branch Library, operated by San Bernardino County, is located within the District in Cucamonga.

The Cucamonga Times and Upland News provide local news coverage. The Los Angeles Times maintains an office in Cucamonga. Radio station KSOM AM-FM broadcasts from the community.

San Bernardino County maintains the following offices in Cucamonga: Agricultural Commissioner, Constables, and Justice Court.

Fire protection services are provided by the Foothill Fire Protection District, which operates a well-equipped station in Alta Loma and a Fire Prevention Bureau in Cucamonga. San Bernardino County provides police protection services at facilities located in Ontario.

Cucamonga-Guasti County Regional Park, located a few miles south of the District, opened in May 1974. The \$1.2 million park has a one-half acre lagoon for swimming and two lakes, one for fishing and boating and the other reserved for fishing only. Golf courses within the immediate area are La Mancha Golf Course and Red Hill Country Club. The latter is a private course located in the District.

The 700-acre, \$30 million Ontario Motor Speedway is situated between the District and the San Bernardino Freeway. The speedway includes a 2.5 mile oval track for cars of the Indianapolis caliber, a 3.5 mile road race circuit, and a quarter-mile drag strip. Permanent grandstand seats will accommodate 85,000; portable stands and infield spectators extend the audience capacity to over 200,000. Parking is available for 51,000 vehicles.

About four miles north of the District is the San Bernardino National Forest, affording many opportunities for outdoor activities such as hiking, camping, skiing, fishing, and boating. Bordering this area to the west is the Angeles National Forest. Both national forests have wilderness areas for public recreation.

Within convenient freeway driving distance for District residents are the varied recreational and cultural advantages of the Los Angeles Metropolitan Area as well as the many facilities lying within the San Bernardino-Riverside-Ontario Metropolitan Area.

POSSIBLE INCORPORATION

As already noted, the unincorporated communities of Alta Loma and Etiwanda border Cucamonga on the north and east. In response to local requests, the supervisors of San Bernardino County appointed a Municipal Advisory Council in 1972 to explore the feasibility of incorporating the three communities as a single city. The Council is composed of seven members-two from each community and a representative-at-large from Southern California Edison Co., whose properties represent a large portion of assessed valuation.

Population studies by the Tri-Community Inc. Committee, utilizing data provided by local school districts and public agencies, indicate that the proposed city would have a population of 170,900 at saturation, as shown in the following estimates:

	Alta Loma	Cucamonga	Etiwanda
1980	28,100	24,800	2,500
1985	40,000	43,000	8,000
Saturation	52,000	52,500	66,400

Early in 1975 the Council secured a two-year extension of a zone of influence from the Local Agency Formation Commission. This had the effect of protecting the three communities from annexation while studies and hearings proceeded. A ballot proposition in the November 1977 election will determine whether residents of the three communities favor amalgamation and incorporation. If formed, the proposed city would be the third largest in San Bernardino County.

SAN BERNARDINO VALLEY

The District lies in the heart of the fifth largest metropolitan area in California, with a population in excess of 1,280,000.

The San Bernardino-Riverside-Ontario Metropolitan Area has a wide variety of industries and resources such as steel, agriculture, electronics, tourism, military installations, government facilities, and minerals. The only integrated steel mill on the Pacific Coast is located at Fontana three miles east of the District. This complex accounts for approximately 70 percent of the raw steel output in California.

The growing sophistication of the area as a manufacturing center is illustrated by the expanding aerospace-electronics industry, once closely tied to defense markets, but now increasingly committed to commercial production. Centers of industrial employment in the Valley are San Bernardino, Fontana, Ontario, Redlands, and Riverside.

EMPLOYMENT

Employment patterns in the San Bernardino-Riverside-Ontario Labor Market Area are reported periodically by the State Department of Employment Development. In May 1977 this labor market supported 448,000 civilian employees, including 354,600 nonagricultural wage and salary workers and 20,700 agricultural workers. Of the nonagricultural workers, over 26 percent are on government payrolls, largely at the state and local government level. Trade, services, and manufacturing are the other leading sources of jobs, in that order. Of over 53,000 workers in manufacturing, 72 percent are engaged in durable goods production. Transportation equipment and primary metals are the leading industries in this group. A summary of employment by industry throughout the metropolitan area appears below, and a list of large employers is on page 27.

At May 1977 the seasonally adjusted unemployment rate was 9.1 percent of the labor force compared with 10.3 percent the previous May. The unadjusted rate was 8.4 percent, down from 9.5 percent the previous May.

SAN BERNARDINO-RIVERSIDE-ONTARIO LABOR MARKET Wage & Salary Employment by Industry (1)

Industry	May 1977	May 1976
Manufacturing, Durables	38,500	38,700
Manufacturing, Non Durables	15,000	15,000
Mining	2,300	2,300
Construction	13,700	13,400
Transportation, Utilities	19,600	18,900
Wholesale Trade	13,700	13,800
Retail Trade	71,000	68,700
Finance, Real Estate	13,700	13,300
Services	73,100	70,700
Federal Government	14,400	14,400
State and Local Government	79,600	76,300
Total Non Agricultural	354,600	345,500
Agriculture	20,700	21,400
Total, All Industries	375,300	366,900

(1) Employment reported by place of work. Excludes self-employed and family workers and those involved in labor disputes.

Source: State Department of Employment Development.

SAN BERNARDINO-RIVERSIDE-ONTARIO LABOR MARKET
Selected Major Employers

Employer	Product/Service	No. of Employees
<u>Manufacturing Employment:</u>		
Alcan Western Products, Riverside	Aluminum mill products	530
Amax Aluminum Mill Products, Inc., Riverside	Aluminum sheet, tubing	500
Bourns, Inc., Riverside	Electronic components	1,100
Deutsch Co., Banning	Electronic components	900
E. L. Yeager Constr. Co., Rubidoux	Heavy construction, concrete	850
Fleetwood Enterprises, Riverside	Mobile homes, recreation vehicles	1,450
Freightliner Corp., Chino	Trucks	501-1,000
General Electric Co., Ontario	Appliances, aviation services	501-1,000
Johns-Manville Fiber Glass Div., Corona	Fiberglass insulation	400
Kaiser Steel Co., Fontana	Iron, steel, structural shapes	865
Kerr-McGee Chem. Corp., Trona	Potash, borax	501-1,000
Lockheed Aircraft Service Co., Ontario	Aircraft maintenance	Over 1,000
Owens-Illinois, Lily Tulip Div., Riverside	Containers	430
Press-Enterprise Co., Riverside	Printing, publishing	585
Riverside Cement Co., Riverside	Cement	600
Sunkist Growers, Ontario	Orange products	501-1,000
Sunkist Growers, Corona	Lemon products	450
Rohr Industries, Riverside	Aircraft components	1,040
Toro Co., Riverside	Irrigation systems	350
<u>Non-Manufacturing Employment:</u>		
Central City Mall, San Bernardino	Regional shopping center	3,000
General Telephone Company	Communications	400
Inland Center Mall, San Bernardino	Regional shopping center	2,500
Kasler Corp.	Highway construction	250-500
Loma Linda University & Hospital	University and hospital	5,200
March Air Force Base, Riverside	Defense (civilians only)	1,300
Norton Air Force Base, San Bernardino	Defense	11,000
Pacific Telephone Co.	Utility	800
Riverside County	County government	4,000
San Bernardino County	County	7,000
San Bernardino School System	Unified school system	3,000
San Bernardino State College	State college	525
San Bernardino Valley College	Community college	700
Santa Fe Railroad	Transportation	3,000
Southern Pacific Railroad	Transportation	1,200
Southern California Edison	Electrical-utility	600
Southern California Gas Co.	Gas-utility	350
TRW Systems Group	Research/program management	750
University of California, Riverside	Education	3,600

Sources: San Bernardino Economic Development Department and Riverside County
Department of Development.

AGRICULTURE

The fertile San Bernardino Valley is a major agricultural area, extending 40-50 miles in an east-west direction. It forms a part of the citrus belt of Southern California, and is a leading dairy producing area in the nation. Gross value of farm products in San Bernardino County exceeded \$343 million in 1976, highest value on record for the county. There were 19 commodities with a valuation in excess of one million dollars, headed by milk and eggs. Together, these two products accounted for over 74 percent of the total gross value of farm production in San Bernardino County in 1976.

The tabulation below presents county agricultural production values by individual years since 1973. A list of the million-dollar crops in 1976, reported by the County Agricultural Commissioner, accompanies the tabulation.

SAN BERNARDINO COUNTY Gross Value of Farm Production

	1973	1974	1975	1976
Fruit and nuts	\$ 32,534,100	\$ 20,596,500	\$ 16,690,800	\$ 18,539,900
Vegetables	2,273,000	3,454,500	3,693,600	4,189,900
Field crops	9,074,000	12,065,100	13,823,000	16,075,200
Seed crops	101,600	96,900	92,100	301,000
Nursery prod., cut flowers	3,551,200	4,462,700	4,751,800	5,681,100
Apiary products	1,302,200	1,174,000	924,200	536,500
Livestock and poultry	41,786,000	37,832,400	41,958,000	40,533,600
Animal products	172,828,000	211,757,500	226,014,500	256,301,600
Aquaculture, worms	-	-	-	1,107,000
Total Value	\$263,450,100	\$291,439,600	\$307,948,000	\$343,265,800

Other agricultural areas in the western states have been experiencing crop losses due to drought conditions. However, according to the County Agricultural Commissioner, no serious crop damage nor substantial reduction in yield is expected in San Bernardino County.

SAN BERNARDINO COUNTY Million Dollar Crops 1976

1. Milk	\$190,040,000	11. Lemons	\$3,641,000
2. Eggs	65,590,000	12. Grapes	1,801,000
3. Cattle and Calves	18,241,000	13. Apples	1,783,000
4. Alfalfa Hay	8,948,000	14. Grain Hay	1,588,000
5. Turkeys	8,457,000	15. Grapefruit	1,588,000
6. Nursery Products	5,681,100	16. Pasture-Permanent	1,328,000
7. Chicken Fryers	5,599,000	17. Hogs and Pigs	1,104,000
8. Navel Oranges	4,986,000	18. Baby Chicks	1,059,000
9. Valencia Oranges	4,069,000	19. Sudan Grass	1,051,000
10. Pullets	3,690,000		

Source: County Department of Agriculture.

CONSTRUCTION ACTIVITY

After a low point in 1974, building permit valuations in San Bernardino increased by over 57 percent the following year. In 1976, the annual gain exceeded 65 percent, to a level of \$515,552,000 for the year.

As reflected in the tabulation below, single-family residential valuation accounted for the bulk of building permit valuation in 1976, with permits for over 10,000 new homes. This trend continued in 1977, accompanied by increased activity in multi-family construction in the January-June period.

SAN BERNARDINO COUNTY Building Permit Valuation (\$000 omitted)

Year	1972	1973	1974	1975	1976	1977 (1)
Residential:						
New Single-Family	\$ 114,253	\$112,789	\$ 91,903	\$185,659	\$382,444	\$339,366
New Multi-Family	42,767	26,568	10,009	8,207	7,888	10,729
Additions, Alterations	12,993	13,922	17,537	23,201	28,511	18,530
Non-Residential						
New Commercial	22,347	29,342	27,449	17,669	39,681	23,583
New Industrial	9,855	11,644	10,394	38,472	14,655	15,655
Alterations, Additions	8,332	7,459	6,881	7,031	9,244	4,923
Other	33,457	42,010	33,295	30,833	33,129	23,286
Total Valuation	\$244,004	\$243,734	\$197,468	\$311,072	\$515,552	\$436,072
No. of New Dwelling Units:						
Single-Family	5,989	5,190	3,473	5,192	10,008	8,315
Multi-Family	3,931	1,962	634	494	472	601
Total Units	9,920	7,152	4,107	5,686	10,480	8,916

(1) For six months.

Source: "California Construction Trends", Security Pacific Bank.

TAXABLE SALES

Taxable sales in San Bernardino County exceeded \$2.3 billion in 1976, an increase of 18-1/2 percent over total taxable transactions the previous year, and 28-1/2 percent greater than taxable sales in 1974. The following tabulation presents taxable transactions for retail outlets and all outlets by individual years since 1972.

SAN BERNARDINO COUNTY
Taxable Transactions
(\$000 omitted)

	Retail Outlets		All Outlets	
	Permits	Transactions	Permits	Transactions
1972 (1)	5,951	\$1,115,231	15,309	\$1,472,978
1973	6,089	1,279,608	15,670	1,686,423
1974	6,091	1,354,669	16,072	1,823,841
1975	6,182	1,471,122	16,862	1,977,173
1976	6,294	1,726,263	17,673	2,343,336

(1) Sales of gasoline for highway use became taxable July 1, 1972.

Source: State Board of Equalization.

FINANCIAL

In the first half of 1977, bank debits in the San Bernardino-Riverside-Ontario Metropolitan Area amounted to more than \$22.9 billion, as reported by the Federal Reserve Bank of San Francisco. This was an increase of 15.1 percent over the same period of 1976. Bank deposits at June 30, 1977 were \$1,023 million, 23.2 percent greater than total deposits at June 30, 1976.

PER CAPITA INCOME

The U. S. Department of Commerce estimates that per capita money income in San Bernardino County was \$4,363 in 1974, compared with \$3,604 in 1972 and \$3,002 in 1969. The 45.3 percent increase in the 1969-74 period exceeded the statewide increase of 41.5 percent.

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